

## Chapter 5

### ***Motivating and Energizing Government Bureaucracies***

*The "Investors Roadmap: a book of revelations." Editorial headline in the Business Times, Tanzania, January 1, 1997.*

*"There is therefore a need to take more seriously the recommendations of [the] Investor Road Map Phase II intended to correct the constraints to [the] smooth flow of foreign investment into the country." Editorial in the Financial Times, Tanzania, April 8-14, 1988.*

As David Osborne and Ted Gaebler point out in their best selling book, Reinventing Government, governments have "no incentive to winnow out" their regulations or services. Unlike businesses that must eliminate some products or services every year because they do not sell, governments "simply add more and more services or regulations" until some sort of crisis or catalytic event forces them to modify or eliminate them.<sup>1</sup>

The analytical tool described in the previous chapter provides this powerful and catalytic event. The analysis completed in the first stage of the Roadmap is an immensely detailed documentary of all the processes affecting business establishment and operation in a given country. Although the report is essentially an assemblage of facts, the report's sum is greater than the whole of its parts. For many countries, the comprehensiveness of detail is unprecedented, and as a result, the analysis frequently serves as a powerful "eye opener" for the government. In the words of one TSG consultant:

It amazes me the number of times that we've done presentations with these flow charts and governments have never seen [their] bureaucracies presented in that fashion. They have no understanding until they see these reports as to how complex it is for investors.

The impact of the Roadmap analysis and its accompanying charts and documentation in stimulating change is frequently catalytic. Achieving this impact is a deliberate and integral part of the Roadmap approach – the *motivating and energizing* stage of the Roadmap. This stage is the fundamental linkage between the Roadmap analysis and *inventing* solutions; that is, it is a necessary and critical step to translate the factual findings of the first stage into effective reform.

A number of techniques are used to enhance the catalytic effect of the Roadmap. These include:

- Comparative "benchmarking" of procedural data;
- Visual presentation of the analytical material;
- Government ownership of the findings;
- Different methodologies of presentation; and,
- Use of the media to build public support for change.

These techniques are employed in various ways. They are reflected first in the Roadmap analytical report, which has several aspects that are motivational in nature.

These include the visual presentation of the analytical material, the analysis presenting the investor's actual experience with government processes, and the benchmarking or comparative data. There are also motivational aspects in the methods used for presentation of the report's findings, and in discussions with the government of next steps. These motivational techniques are not used uniformly in each Roadmap country, however, and in some countries, circumstances may dictate that a specific technique not be used at all (e.g., media coverage). This reflects again that the Roadmap is not a rigid methodology, but rather is a flexible tool that is adapted to the local environment of each specific country.

Another factor to be considered in the choice of techniques is the strength of the government's commitment to reform. In countries where the government's commitment to reform is weak, the "demonstration effect" of successful reform can be considerable in building or maintaining momentum for change. In countries such as these, the Roadmap analysis will highlight procedures that are ideal for rapid change, in order to maximize the motivational impact of these reforms on the government.

This thinking is reflected in the selection of topics for the discussions during the Mongolian Investor Roadmap. In selecting goals for these roundtables, said the Roadmap Team, "we should really focus on one chief near-term objective that is both ACHIEVABLE and SIGNIFICANT enough to show all concerned that positive movement is taking place. Hopefully, that will create enough momentum to catalyze further progress."<sup>2</sup>

In contrast, in countries where the government's commitment to reform is strong, the government may not need the motivating impact of a "quick victory." In these cases, the procedures that are proposed for reform may be selected by criteria other than whether they are amenable to quick change. While capitalizing on the motivational or demonstration effect of a short-term success is a well-known technique that is not unique to the Roadmap approach, the inclusion of this technique in the Roadmap "tool kit" again illustrates the adaptability of the Roadmap approach.

The various motivational techniques and the circumstances for which they are most appropriate, are discussed briefly below, followed by an assessment of the effectiveness of these techniques on motivating governments.

## **Motivational Techniques**

### *The Use of Visual Presentations*

Each Roadmap report incorporates a number of charts and figures documenting various stages of the investment process. In addition to visually representing what are often complicated procedural requirements, these charts are also key methods of motivating the bureaucracy.

The types of charts used include

**Gantt Charts:** These charts show dependencies over time, and illustrate the temporal and sequential relationship between the various procedures needed to complete a single process; for example, acquiring and developing land (see

*Figure 5.1 for an example*). The visual strength of this type of chart is that it shows the length of a process in its totality, and therefore captures these dependencies.

**Flow Charts:** Flow charts document the individual steps and agencies that are involved in parts of a process. They capture the complexity of the process by illustrating the number of steps that may be required, particularly in cases where applications may be returned for additional information, or fall into specialized categories that may require additional approvals (*see Figure 5.2 for an example*).

**"Spider" Charts:** In a spider chart, the investor is placed in the middle of a web-like diagram that displays each institution involved in the business approval and establishment process, and the relationship of the investor with each institution. This chart is less a visual display of data as it is a way to demonstrate the complexity of an investment bureaucracy's institutional relationships. As a result, its prime use is its "shock value" to motivate governments to change (*see Figure 5.3 for an example*).

**Benchmarking Charts:** Finally, benchmarking charts compare the time needed to complete a process between individual countries. The use of bar charts to show this comparative data makes it easy for readers to instantly see how their performance measures against that of other nations (*see Figure 5.4 for an example*). (The use of benchmarking as a motivational tool is discussed in further detail below).

Although not a graphical presentation, it should be noted that the Report Annex can also be highly effective in demonstrating to governments the procedurally complexity of their country's investment processes. This Annex is usually published as a separate volume of the analytical report, and contains all the forms and other documentation that investors must complete. In Tanzania, which had especially complex bureaucratic and administrative processes, the Annex alone weighed several pounds and was 160 pages in length; had the forms necessary to apply for specialized approvals been included, this annex would have *totaled more than 280 pages*.

Again, using charts or other graphic representations to visually display complex data or relationships is not an uncommon technique. Nonetheless, their use is a calculated and explicit part of the Roadmap's motivational approach to process redesign.

### *Comparative "Benchmarking"*

A potentially powerful tool for motivating governments is the use of comparative, or "benchmarking," data to compare a country's procedural performance against that of other nations. Benchmarking compares countries across selected measurements or indices: How long does it take to receive an investment license in Kenya, versus Uganda, or Ghana, or Singapore? How many steps are required to obtain access to industrial land? The value of benchmarking is that it makes clear to the host government how lengthy and complex its procedures are for an investor compared to those of regional or international competitors for investment.

Comparative benchmarking can provide a potent and graphical illustration of the relative inefficiency of a country's investment and business establishment processes. Not only do the comparisons indicate how competitive a country is with other countries in the region – who, in fact, may sometimes not be much better – but the comparisons show how a country compares to international norms. In doing so, it gives much needed context to the national discussion and debate, and can strengthen the argument of those advocating reforms. As a result, benchmarking can be an important stimulus to change, particularly for governments and government officials who have had little exposure to current practices and trends in other countries.

The value of the benchmarking exercise is made clear by the following article on the Roadmap exercise in the Tanzanian Business Times:

In newly independent Namibia, for instance, it takes six to 12 months to establish a business. In Tanzania, veteran of 36 years of independence and numerous trials and error in development, it still takes three times as long to establish a business: 18 to 36 long months.<sup>3</sup>

Frequently, such comparative data have more credence than mere criticisms by consultants. As noted by Barry Camson, TSG's long-term consultant in Tanzania, benchmarking is one of the "most powerful motivational tools" he has found in his work with organizations and corporations worldwide, that is, showing them what their competitors are doing.<sup>4</sup>

Benchmarking does have some theoretical weaknesses. Owing to national differences in processes, it is often difficult to compare them on a cross-border basis. In addition, the selection of countries for comparison must be done carefully. Even if two neighboring countries are competitors for investment, it may not be helpful to compare to compare them because processing times in both countries may be far below international standards. At the same time, it may not be meaningful to compare disparate countries -- for example, Bolivia and Singapore given their differing levels of development and the fact that they are scarcely competitors for the same investment.

In other areas, the benchmarked figure itself may be meaningless. In Namibia, for example, it takes two years to get a name trademark processed, while in other countries it can take only one month. Nonetheless, this figure is misleading because in Namibia, the investor seeking the trademark is legally protected from the day that the application is submitted, not from the day the application is approved. Consequently, companies were relatively unconcerned about this two-year wait. Surely this is the comparative lesson that should be imparted, but such a distinction will not be revealed by a simple comparison of processing times.

Some Investor Roadmaps have included comparative benchmarking and some have not. Despite the theoretical weaknesses inherent to benchmarking, it is clear that those reports that have contained this comparative data have had a greater motivational impact than those that have not. This effectiveness results, says Grant Morrill, [title], because benchmarking shows countries "their own reality and then you dare them to be great." In this way, the motivational impact of inter-country comparisons create a "short circuit to change" because the use of such examples will encourage countries to reform their own processes.<sup>5</sup>

Moreover, it is generally accepted as a general rule among investment promotion specialists that countries should avoid complacency. Accordingly, governments should strive to improve their performance in comparison to others, because they can be certain that in an increasingly competitive world, other countries are striving to do the same. Benchmarking provides these countries a useful ruler for measuring that performance.

In recognition of the strength of benchmarking, TSG is beginning to include benchmarking as a routine aspect of its Investor Roadmaps, drawing in part from the volumes of detailed data that the firm has compiled in the course of completing Roadmap studies in more than 20 countries. Future benchmarking exercises will also incorporate data from a four-country benchmarking survey recently completed by TSG under contract to USAID's Global Bureau. This survey compiled data from four countries: Hungary, Mauritius, Malaysia, and Chile. These countries were chosen for a comparative benchmarking exercise because of their geographical diversity and their relatively efficient investment bureaucracies. This benchmarking exercise is expected to provide future Roadmaps with a wealth of information on global "best practices," particularly regarding the value of explicitly linking a country's investor targeting strategy with customer-driven procedural reforms.

### *The Importance of Government Ownership*

Perhaps the most critical element in the Roadmap's success to date -- and the factor that distinguishes it from the "document drops" that characterize other consultant reports -- is the focus on government ownership of the report's findings. The importance of ownership has already been discussed in the context of government sponsorship of the Roadmap. It similarly has been seen in the way the Roadmap report provides indicative rather than definitive recommendations. By doing so, it enables government participants in the process workshops to identify their own solutions -- thereby assuming ownership of those solutions -- to identified problems, as discussed in the following chapter.

As noted previously, consultant- or donor-driven reforms at best are less likely to be successful; at worst, they can engender resentment and outright opposition. By enabling, and even requiring, the government to assume ownership, the Roadmap builds a reinforcing motivational mechanism into all stages and aspects of the Roadmap

### *Different Methodologies of Presentation*

Depending on the circumstances of a country, a report's findings will be presented to the government using methods that entail differing levels of confrontation. There are advantages and disadvantages to making a either a confrontational or non-confrontational presentation, and the choice of one method over another depends essentially on the country and the nature of its relationship with the private sector.

In a presentation that utilizes a more confrontational style, the Roadmap report findings are presented to the government and the government is challenged to respond directly to the allegations of bureaucratic complexity, governmental inefficiency, and corruption. Although it can be an effective approach, it takes "chutzpah" to present the report's findings in this fashion. A confrontational approach runs the risk of creating enemies who will subsequently impede the reform process. Likewise, this style of presentation

can assume a "private sector versus the government" characteristic that can seriously erode the government's sense of ownership of the report's findings. Nonetheless, this type of format is sometimes advantageous in countries that have an open relationship with the private sector, or which have governments that are particularly reform-minded. In this setting, a confrontational approach can be highly effective in stimulating positive dialogue and fomenting change.

Nonetheless, most governments are uncomfortable with a confrontational approach, and understandably so. Particularly for governments that have been isolated from the private sector for many years -- and most countries where Roadmaps have been conducted fall into this category -- a confrontational presentation involving the private sector and the government is likely to simply provoke further discord and conflict. If this happens, the report's findings will not be catalytic in motivating further change, but will simply be divisive, and it will be difficult for the Roadmap process to recover its momentum.

Consequently, most presentations are handled in a non-confrontational manner. In this approach, the report's mapping out of key procedures are first "validated," or confirmed, with government mid-level technocrats who are operationally familiar with those procedures. Similarly, the analyses and recommendations are also typically validated with the private sector to check their accuracy and relevance. Once the report's findings have been thoroughly validated, it is presented to senior levels of government. At this point, the findings have been confirmed by both the public and private sector, reducing the potential that they will antagonize the government.

While a purely non-confrontational approach is usually less antagonistic in nature and therefore more likely to be successful, it is not without drawbacks. If the findings are presented directly to senior levels of government, the private sector is then uninvolved in identifying the needed direction for reform. Ideally, however, the private sector needs to be integrated into the reform process, because reforms that have been designed through a joint public-private sector workgroups are most likely to long lasting and effective.

This dilemma is typically avoided by carefully selecting a few well-known and highly respected representatives of the private sector (for example, former government officials who have entered private business) to take part in the Roadmap presentation. This formula has been fairly successful. It is non-confrontational, because the private sector's view is voiced through a few individuals that have credence with the government, thereby compelling the government to accept the legitimacy of private sector involvement. It is also balanced, because the private sector's views are both tightly focused and representative, and are therefore are more likely to be constructive, without descending into self-serving demands for lower taxes or industry protectionism.

#### *Use of the Media to Build Support*

The release of the Roadmap's analytical findings is also sometimes an effective technique for motivating governments. In both the Dominican Republic and Tanzania, for example, media publicity helped to create public support for the Roadmap process, foster constructive public debate, and create potential support for the government for undertaking such reform (see *Representation* --).

*Representation X: Collage (?) of Newspaper Titles and Quotations*

"Investors Roadmap: a book of revelations" -- Business Times (Tanzania)

"To Attract Investment, Road Map Study Recommendations Should be Implemented" -- Financial Times (Tanzania)

[The Roadmap is] "a worthy document, shedding where bureaucratic darkness and uncertainty prevailed before, giving hope for redemption out of mismanagement, corruption, ambiguity, and a suffocating tax regime which reigned supreme as disincentives to investment." -- Business Times (Tanzania)

"The government has been challenged to ease bureaucratic and administrative red tape to encourage private investment. Presenting the "Investor Roadmap" report in Dar es Salaam yesterday, an expert from the United States, Mr. Robert Rauth, said Tanzania's investment climate was not attractive enough." -- Daily News (Tanzania)

'Bureaucratic environment flawed by cumbersome procedures' -- Windhoek Advertiser (Namibia)

'Investment Procedure[s] take three years' -- Business Times (Tanzania)

'U.S. Expert Lists Investment Hurdles' The Guardian (Namibia)

"The Entrepreneur's Roadmap: Untangling the Knots of Bureaucracy for Investors in Developing Countries" -- Locate Africa

"A press release issued by the United States Information Service (USIS) in Dar es Salaam yesterday said: 'Various government agencies have started cutting out some of the red tape that has plagued investors for so long.' The reforms had been done under an initiative called *The Investor Roadmap*, funded by USAID." The Guardian (Tanzania)

"There is therefore a need to take more seriously the recommendations of the Investor Road Map Phase II intended to correct the constraints to [the] smooth flow of foreign investment into the country." Financial Times (Tanzania)

Most governments, however, are reluctant to have the Roadmap analysis released to the press. There appears to be no fixed and fast rule explaining why some governments are willing to have the findings published, and others are not. It generally seems that in countries where there is little trust between the public and private sectors, there is a greater reluctance to put the findings in the newspapers. In these countries, release of the findings would be a confrontational technique, and could actually be counterproductive and undermine the motivational intent of the analysis.

Another element that must be factored into the decision of whether or not to use the media is the attitude of the donor agency. Donors frequently measure success in terms of media coverage; media publicity strengthens the profile of the donor within the country, and is often equated with results. Again, there are no hard and fast rules for balancing the donor's need for publicity with the government's wish to avoid potentially critical media coverage. As with the decision to use a confrontational or non-confrontational presentation, the use of the media is a selective tool that must be adapted to the specific needs and characteristics of each country.

### **When – and When Not – to Motivate**

Although it is conceptually convenient to discuss motivating and energizing government bureaucracies as a separate stage, this activity is not an isolated one. Although “motivating” has its most significant role as a “bridge” between the analyzing and inventing aspects of the Roadmap, the need to motivate the government typically permeates the entire Roadmap exercise. It is repeatedly seen in the selection of institutional sponsors during different stages of the Roadmap, and in the various activities designed to foster government ownership of the process.

The motivational model described here is primarily applicable to countries that have not yet developed any internal momentum for reform. In such cases, these techniques will help to foster that momentum. For countries that are already motivated, however, these techniques are not necessary, and may in fact distract governments from their reform mission. In these cases, the Roadmap model must be adjusted so to de-emphasize the motivational aspects and to concentrate on assisting those governments with the identification of problems and the implementation of solutions. The methods for used for identifying problems and potential solutions are discussed in the following chapter.

---

### **End Notes**

<sup>1</sup> Osborne and Gaebler, p. 115.

<sup>2</sup> E-mail message from Keith Molkner of The Services Group to Ambassador \_\_\_\_\_, U.S. Ambassador to Mongolia, \_\_\_\_\_ 1998.

<sup>3</sup> “Investors Roadmap: a book of revelations,” (Tanzanian) Business Times, January 10, 1997, p. 4

<sup>4</sup> Interview in Arlington, Virginia, November 4, 1998.

<sup>5</sup> Interview in Washington, DC, November 15, 1998.